

FISCAL IMPACT STATEMENT ON BILL NO. **S.87**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Beth Quick and Kenneth Brown		
DATE:	March 3, 2009	SBD:	2009090

AUTHOR:	Senator Ford	PRIMARY CODE CITE:	34-39-175
SUBJECT:	Deferred Presentment Loans		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Savings to Federal and/or Other Funds

BILL SUMMARY:

Senate Bill 87 would require the Consumer Finance Division of the Board of Financial Institutions to implement a deferred presentment loan tracking database. It would also limit consumers to one deferred presentment loan at a time statewide and would limit the amount of the loan.

EXPLANATION OF IMPACT:

Board of Financial Institutions

The Board reports this Bill would save \$109,200 in Other Funds and 1.00 FTE due to the loss of licensing 450 deferred presentment offices.

Department of Consumer Affairs

The Department states this Bill would require additional General Funds of the State totaling \$41,592 in the first year. Recurring costs would cover salary and fringe benefits of \$37,842 for 1.00 FTE position (Program Coordinator I) and \$1,000 in operating expense. One time costs of \$2,750 would cover costs of furnishings, phone lines, voice mail, internet access and supplies. The position would receive the complaint, review the complaint, if meritorious and warrants mediation, refer the complaint to the provider and Board of Financial Institutions for investigation and review responses from the Board and provider to determine final disposition. The Department estimates that the requirements of the Bill would generate around 600 new complaints in the initial year and approximately 400 complaints thereafter.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill.

Approved by:



Harry Bell
Assistant Director, Office of State Budget